

# ConocoPhillips Indonesian Assets Acquisition

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PT Medco Energi Internasional Tbk  
Jakarta, 8/12/2021



# Acquisition Rationale

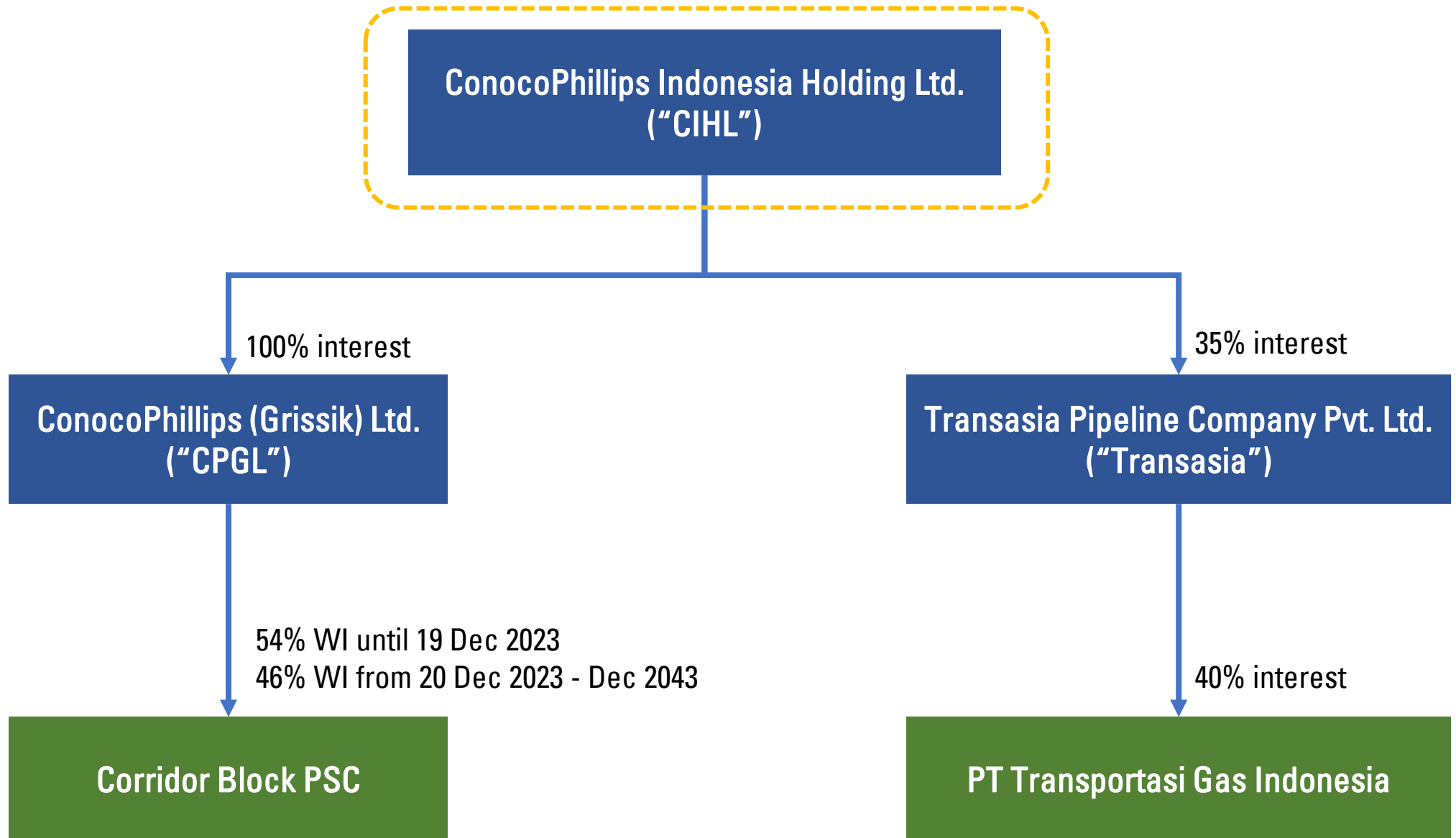
- The assets fit Medco's acquisition criteria having significant credit strengths and the potential for future growth.
- Corridor PSC is a gas focused asset, in line with Medco's Climate Change Strategy. Medco production will be 78% gas post Corridor with a larger fixed price gas portfolio.
- The acquisition will be accretive and credit positive, and the scope for significant synergies will represent an upside.
- Successful experience of integrating organization and processes of ex-ConocoPhillips South Natuna Sea Block B will facilitate smooth transition and integration of Corridor.
- Corridor brings world class HSE & operating practices, and access to suitable reservoirs for Carbon Capture/Utilization & Storage (CCS/CCUS) opportunities.

## Credit Strengths:

- The acquisition consolidates Medco as the main piped gas supplier to Singapore.
- Improved operating scale with long-term offtake and Take or Pay backed contracts with high quality counterparties (PGN, Pertamina and GSPL).
- Corridor's cash cost of US\$4-5/boe will support Medco's cash cost sub US\$10/boe commitment.
- Corridor is adjacent to Medco's existing operations in South Sumatra and the combined portfolio will generate operational, procurement and commercial synergies.
- Regular dividends from Transasia.
- Restricted Group and Total Debt will increase post acquisition, but the 37% equity contribution and strong cash generation will enable our leverage to come back to pre acquisition levels by 2023-24.



# Target Overview





# Medco Portfolio – Post Transaction

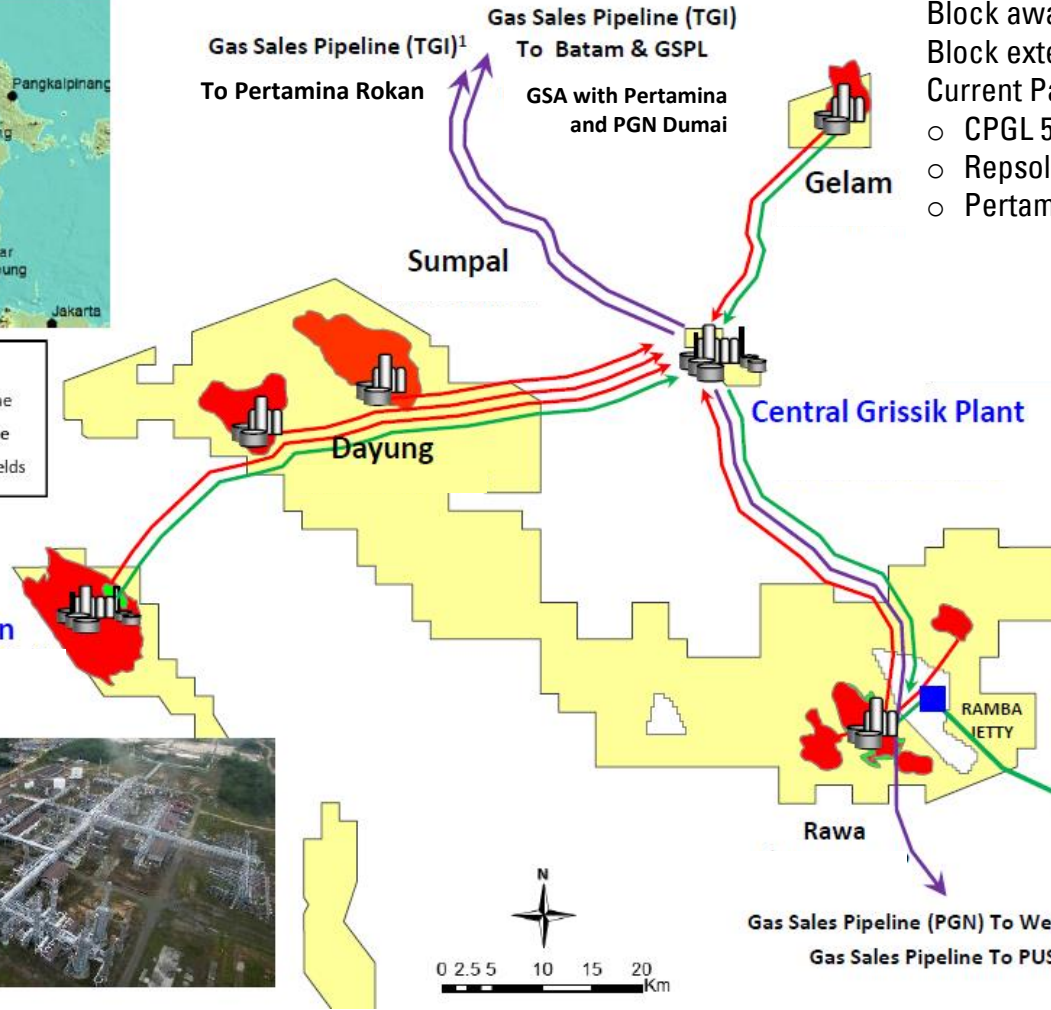




# Corridor Block PSC – Asset Overview

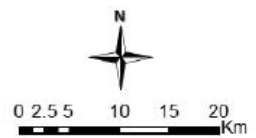


- COPI Gas Pipeline
- COPI Liquid Pipeline
- Third Party Pipeline
- ■ Oil & Gas Fields



Block awarded in 1983, PSC cost recovery will expire in December 2023.  
 Block extended from Dec 2023 - Dec 2043 under PSC gross split terms.

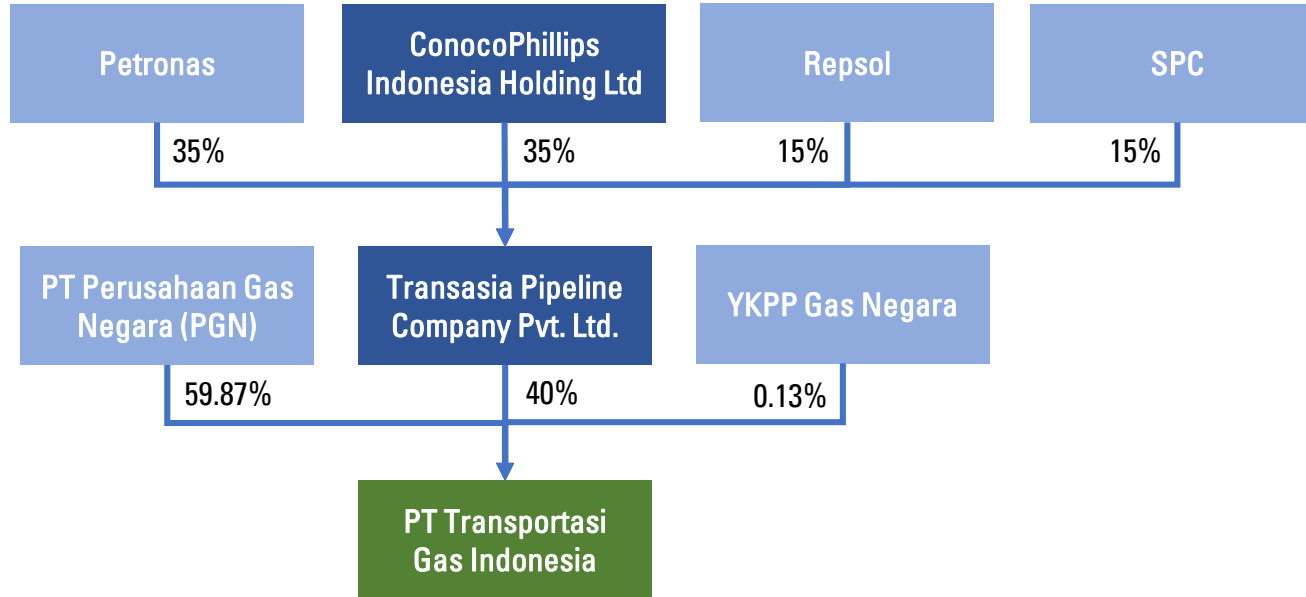
- Current Partnership:
- CPGL 54% (Operator)
  - Repsol (Corridor) Ltd. 36%
  - Pertamina Hulu Energi Corridor 10%



Liquid Barging thru River to Tanker (CST) in Bangka Strait



# PT Transportasi Gas Indonesia (TGI) – Asset Overview



## Pipelines

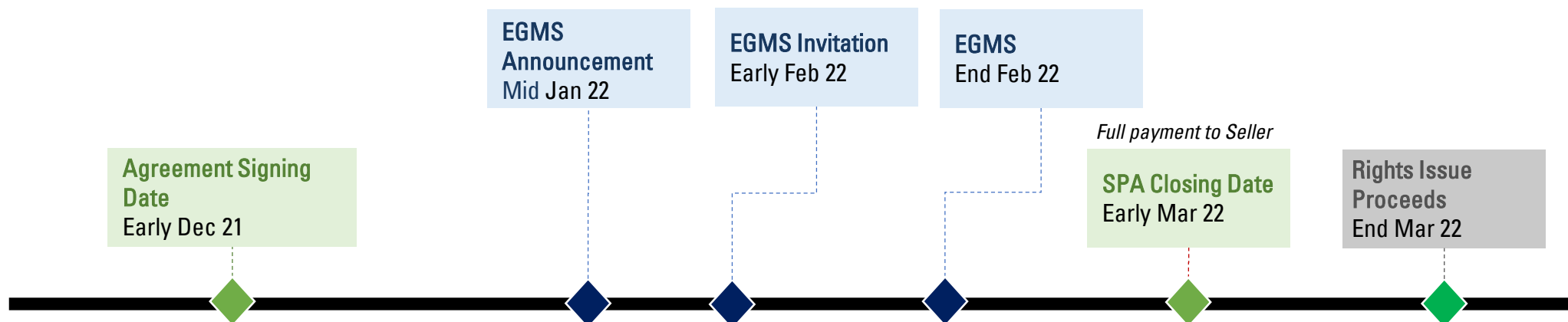
- Grissik – Duri: 28" pipeline 536 km onshore, 427 mmscfd
- Grissik – Singapore: 28" pipeline 220 km onshore, 248 km offshore, 465 mmscfd

## Financial

- TGI has consistently paid dividends to Shareholders since 2011



# Acquisition Timeline



The Transaction is expected to complete in March 2022, subject to customary conditions and shareholders’ approval at an Extraordinary General Meeting of Shareholders (“EGMS”). Shareholders approved a Rights Issue in August 2021 to fund an acquisition. This is expected to be executed Q1 2022 subject to regulatory approvals.

## Acquisition Funding Plan (effective date 1.1.2021)

Sources of Cash	(US\$m)	Uses of Cash	(US\$m)
Bond – 2028 Note	400	Acquisition Consideration	1,355
Amortizing Loan – 2 years	450		
Medco Cash + Equity + Asset Cash <sup>1</sup>	505		
<b>Total</b>	<b>1,355</b>	<b>Total</b>	<b>1,355</b>

<sup>1</sup>With a 1 January 2021 effective date the asset has generated significant cash which can be retained by the Seller as part of the consideration



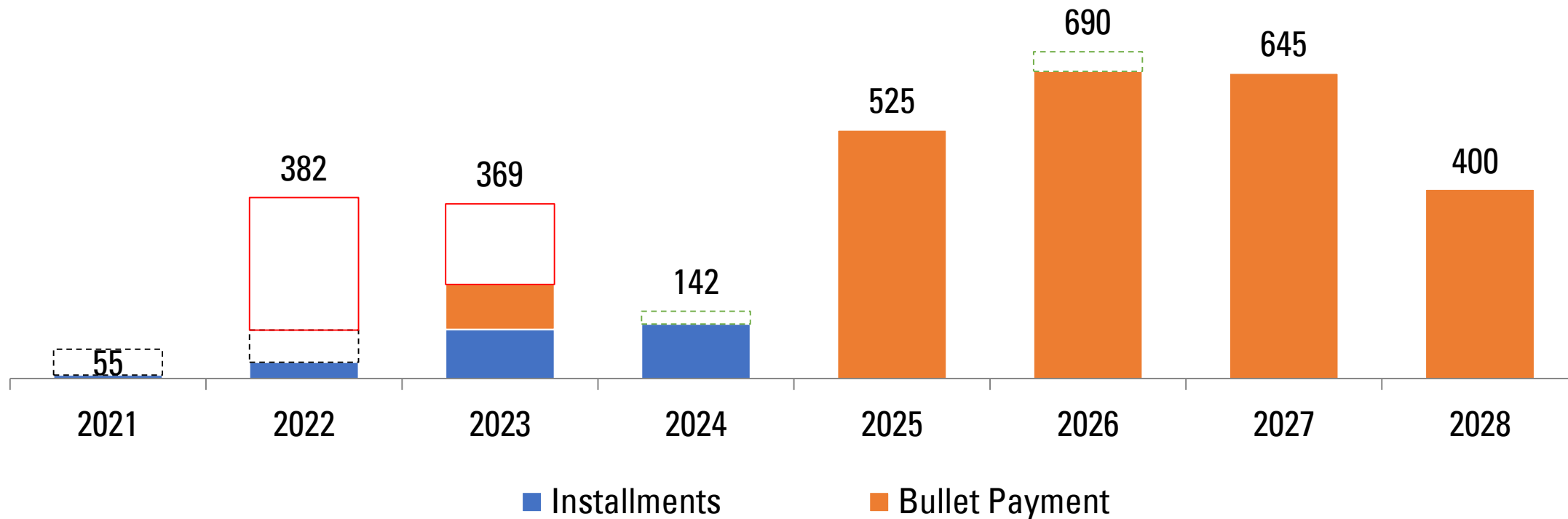
# Post Corridor Debt Maturity Profile

## Restricted Group Debt Maturity Profile

Recently raised IDR Bonds (3 and 5 year) to cover 2022 maturity

Previous IDR Bonds with full repayment amount in escrow

Corridor amortizing bank loan







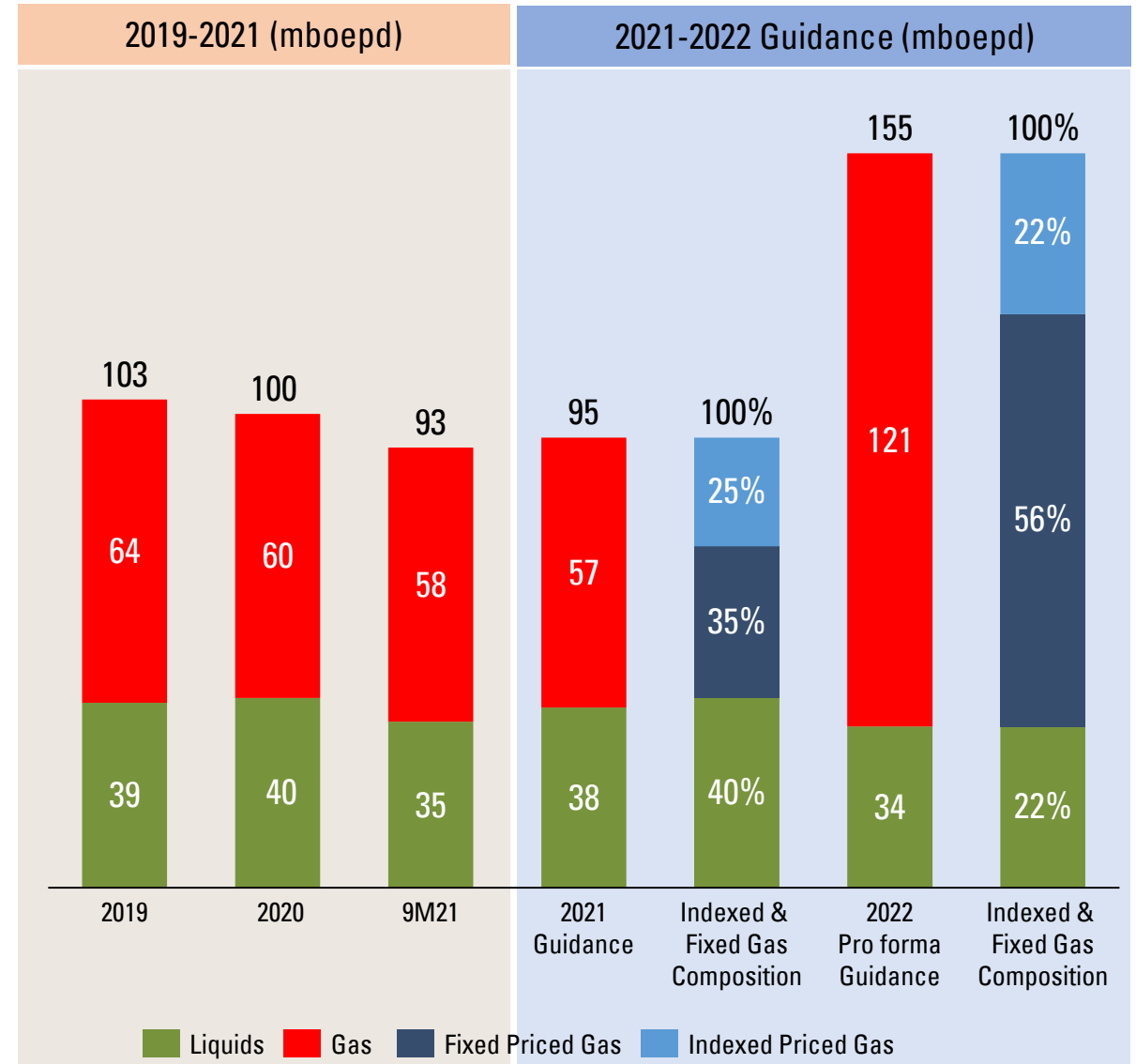
# 2022 Guidance: Production

## 9M-2021 Actual

- Production 93 mboepd following extended downtime (Aceh, Vietnam, Tomori) and weak gas demand (East Java, Aceh, Singapore-LNG Competition)
- 2020 & 2021 gas demand below pre-COVID-19 levels
- Brent hedge of ~14.5% 2021 production, 2H-2021 ~9% at ~US\$51/bbl, 1H-2022 10.3% production at ~US\$51/bbl, 2H-2022 5.6% production at ~US\$51/bbl

## 2022 Pro forma Guidance

- Fixed price gas contracts are a natural hedge
- 2022 Pro forma production guidance 155 mboepd
- Company expects domestic gas demand in Indonesia will continue to recover in 2022





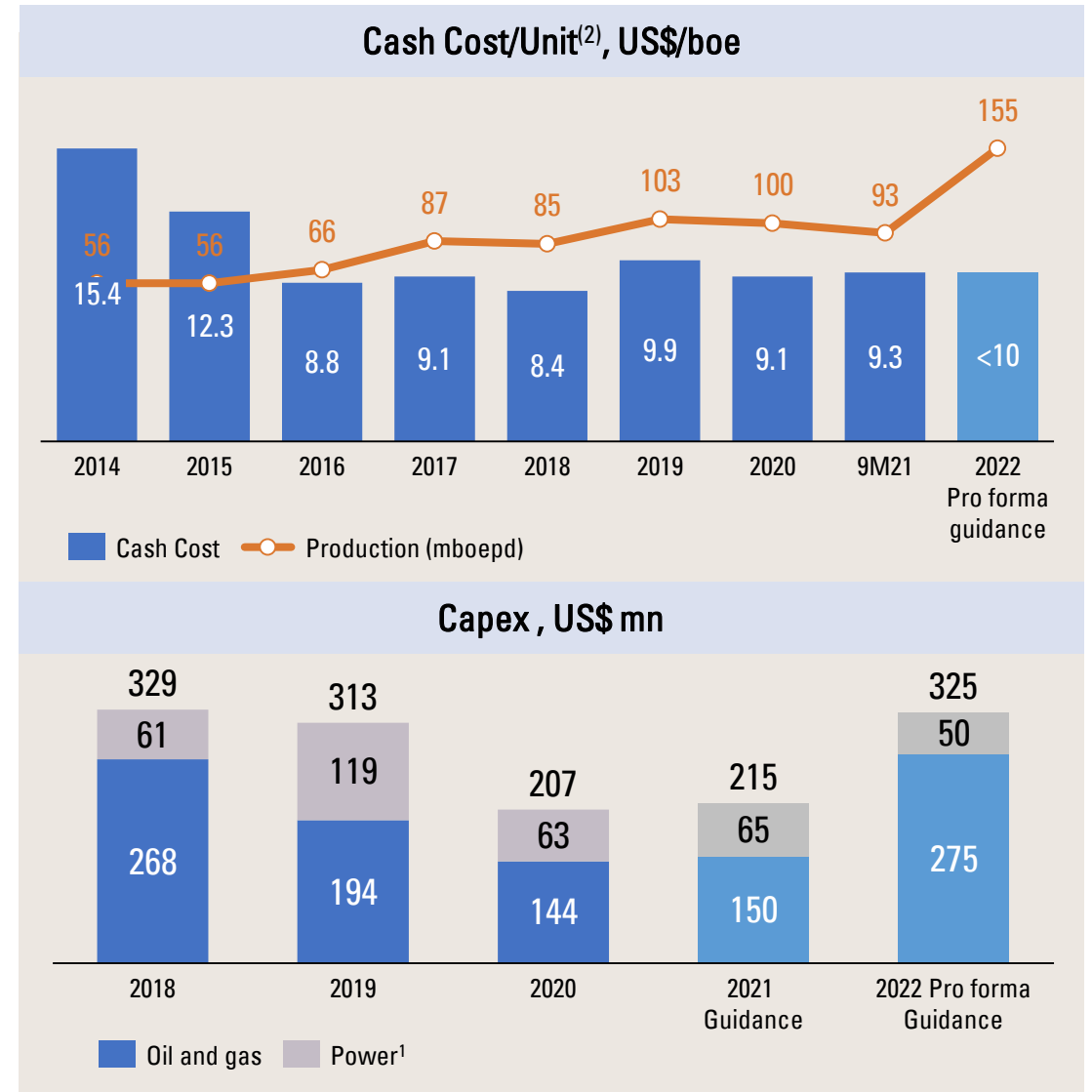
# 2022 Guidance: Expenditure

## 9M-2021 Actual

- Oil & Gas Capex US\$31mn. Activities ramping up but will be under full year guidance of US\$150mn
- Power<sup>1</sup> US\$22mn, to progress Riau Project commissioning. Expect to be under full year guidance of US\$65mn due to project re-phasing
- Oil & Gas cash costs US\$9.3/boe, notwithstanding extended shutdowns in Q2.

## 2022 Pro forma Guidance

- Oil & Gas Capex US\$275mn, Power<sup>1</sup> US\$50mn
- Remain disciplined on expenditure but retain flexibility as demand recovers
- Oil and Gas cash costs below \$10/boe



1) Power capex is working interest Riau (51%) and Ijen (51%)  
 2) Unit cash cost excludes production and expenditure on Oman KSF service contract

# OIL AND GAS STATISTICS



MEDCOENERGI



Metrics	9M-20	9M-21	YoY Δ%
<b>Production<sup>1</sup></b>			
Oil, MBOPD	40.6	35.0	(13.7)
Gas, MMSCFD	319.3	311.3	(2.5)
<b>Lifting/Sales</b>			
Oil Lifting <sup>1</sup> , MBOPD	38.9	33.8	(13.2)
Gas Sales, BBTUPD	299.8	288.7	(3.7)
Oman Service Contract, MBOPD	7.6	7.2	(4.5)
<b>Average Realized Price</b>			
Oil, USD/barrel	39.5	64.1	62.3
Gas, USD/MMBTU	5.1	6.3	23.2
<b>ESG Indicators</b>			
Scope-1 Intensity <sup>2</sup> (tCO2 eq/1,000 TOE Production)	216.7	212.9	(1.8)
Scope-1 Energy Consumption <sup>3</sup> (in million GJ)	13.31	12.90	(3.1)
E&P Recordable Incident Rate (TRIR)	0.43	0.35	(18.6)

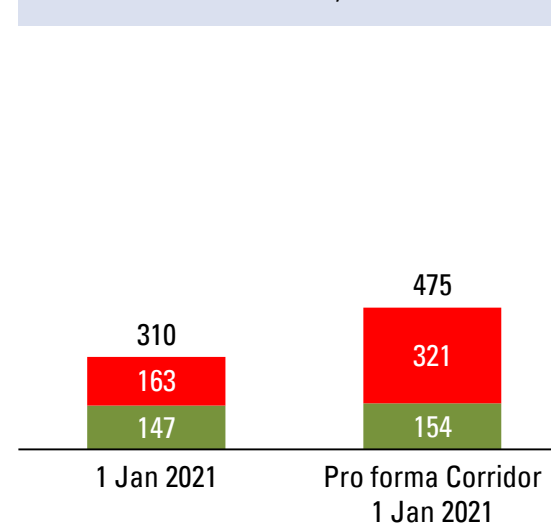
## Nine Months 2021

- 2020 5-year average 2P RRR 1.2x, 2020 2P RLI<sup>3</sup> 9.9 Years
- 9M21 Proved Developed Reserves are 82% of 1P Reserves
- 2020 5-year avg. 2P F&D<sup>3</sup> cost US\$10.1/boe

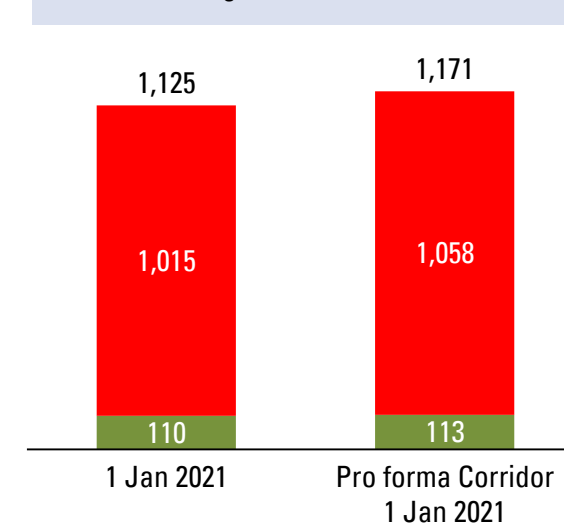
## Corridor Acquisition

- 1P Reserves<sup>4</sup> 134mmboe
- 2P Reserves<sup>4</sup> purchase price is US\$8.2/boe
- Medco post Corridor Proved Developed Reserves are 84% of 1P Reserves.
- Medco post Corridor 5-year avg. 2P F&D cost is US\$9.2/boe

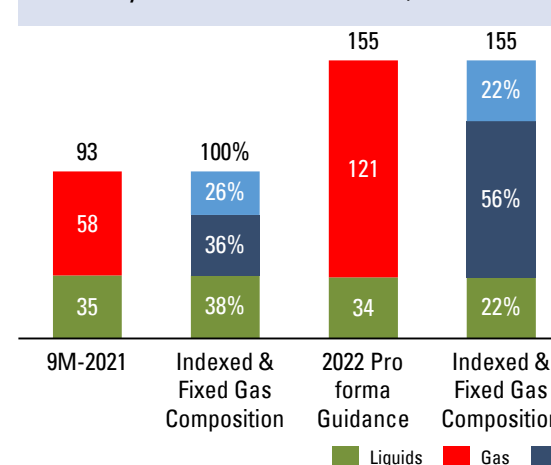
## Net 2P Reserves, MMBOE



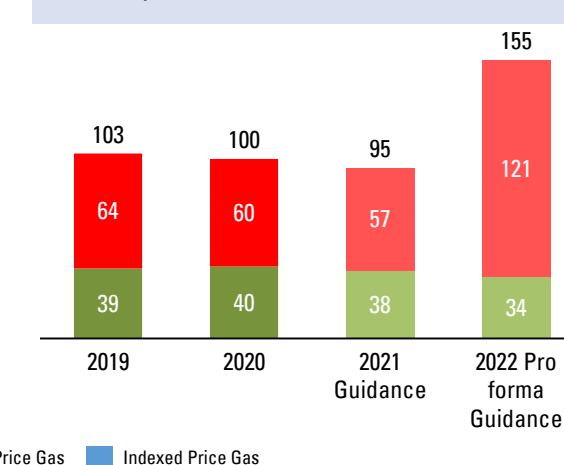
## Net Contingent Resources, MMBOE



## Net Hydrocarbon Production<sup>1</sup>, MBOEPD



## Net Hydrocarbon Production<sup>1</sup>, MBOEPD



1) Includes Oman Service Contract  
 2) Energy consumption numbers and 9M-21 Scope-1 Intensity number are not audited  
 3) 5-year average 2P Reserves Replacement Ratio (RRR), Reserves Life Index (RLI) and F&D cost/boe as of 31 Dec 2020  
 4) As at 1 January 2021



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